

Amendment No. 1 to HB3070

Todd
Signature of Sponsor

AMEND Senate Bill No. 2811*

House Bill No. 3070

By deleting all language following the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-5-2501, is amended by adding the following new language to be designated as subsection (c):

(c)

(1) The provisions of this subsection shall only apply in any county or municipality having a population in excess of eight hundred thousand (800,000), according to the 2000 federal census or any subsequent federal census.

(2) The court shall order a sale of the land located in a federally designated empowerment zone or renewal community for cash, subject to the equity of redemption.

(3) At all tax sales for properties located in a federally designated empowerment zone or renewal community and meeting the requirements of subdivision (c)(4) below, the clerk of the court, acting for the state, may, if approved by a majority vote of the legislative bodies of both the county and municipality, offer the sale of the property at public auction for a minimum bid amount equal to the lesser of the assessed value of the property, as determined by the county assessor for the most recent tax year of record, for that particular tax parcel, or the amount as ascertained pursuant to subsection (a)(2) above.

(4) Properties eligible for a reduced minimum bid amount shall be:

(A) Commercial property, as identified by the county assessor designation, located in a federally designated empowerment zone or renewal community:

(i) Which is abandoned or vacant; or

(ii) For which a citation has been issued by the local authority for a violation of any local anti-neglect ordinance, which citation has been ignored or where the violation has not been corrected.

(B) Residential property, as identified by the county assessor designation, located in a federally designated empowerment zone or renewal community:

(i) Which is abandoned or vacant; and

(ii) For which a citation has been issued by the local authority for a violation of any local anti-neglect ordinance, which citation has been ignored or where the violation has not been corrected.

(5)

(A) Under no circumstances shall the owner of the property or the owner's family member, agent or taxpayer representative be entitled to purchase the property at public auction for any amount less than the total amount owed in delinquent taxes, liens, fees and fines.

(B) Where no non-governmental bidder offers the same or larger bid, the county or municipality shall bid the minimum amount as ascertained in subdivision (c)(3) above; provided, that

when the delinquent tax attorney for the county or municipality determines that the environmental risks are such that it is not in the best interests of the county or municipality for a minimum bid to be offered at the tax sale, the clerk shall not offer a bid on the property at the tax sale.

(C) Where a non-governmental bidder purchases the property at tax sale for a minimum bid based upon the assessed value of the property pursuant to subdivision (c)(3) above, the amount paid in to the clerk of court as the final bid, shall be divided as follows: the court commission shall be prorated according to the sale amount, and the clerk of courts shall first receive that amount; a ratio shall be determined between county and municipal tax liens, in proportion to the amounts ascertained by the master at reference, and the balance of the amount paid for the property shall second, be distributed to the county trustee and municipality by ratio equal to the amounts due for delinquent taxes on such land, such that this amount is accepted in full satisfaction of the tax liens settled under that particular tax sale.

SECTION 2. Tennessee Code Annotated, Section 67-5-2702, is amended by adding the following new language to be designated as subsection (c):

(c) Persons entitled to redeem property sold pursuant 67-5-2501(c), and situated in federally designated empowerment zones or renewal communities, may do so by paying the moneys to the clerk as required by 67-5-2703 and by filing any statement required by 67-5-2503(b) within twelve (12) months after entry of an order of confirmation of the tax sale by the court; a taxpayer may redeem property sold pursuant 67-5-2501(c), and situated in a federally designated empowerment zone or renewal

community, that has been previously redeemed by paying to the clerk the moneys as required by 67-5-2703 within twelve (12) months after entry of an order of confirmation of the tax sale by the court. In which case, upon the entry of the order of redemption using the procedure outlined in 67-5-2704, the clerk shall disburse the moneys paid to redeem, plus interest at a rate of ten percent (10%) per annum computed from the date of the order of the previous redemption, to the person previously redeeming as ordered by the court.

SECTION 3. Tennessee Code Annotated, Section 67-5-2703, is amended by designating the existing language as subsection (a), and by adding the following language to be designated as subsection (b):

(b) In order to redeem property which has been sold under 67-5-2501(c), and is situated in a federally designated empowerment zone or renewal community, any person entitled to redeem the property shall pay to the clerk of court who sold the property the amount owed for the delinquent taxes, interest, and penalties, court costs and any other court ordered charges, such amount having been set and identified in the master's reference report, and interest at a rate of ten percent (10%) per annum computed from the date of the sale on the entire purchase price paid at the sale.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 5. This act shall take effect July 1, 2010, the public welfare requiring it.